

1 UNITED STATES BANKRUPTCY COURT  
2 NORTHERN DISTRICT OF CALIFORNIA  
3 SAN FRANCISCO DIVISION

4 In re:

5 PG&E CORPORATION,

6 - and -

7 PACIFIC GAS AND ELECTRIC  
8 COMPANY,

Debtors.

9  
10 ☐ Affects PG&E Corporation

11 ☐ Affects Pacific Gas and Electric Company

12 ☒ Affects both Debtors

13 *\* All papers shall be filed in the Lead Case,  
14 No. 19-30088 (DM).*

Bankruptcy Case  
No. 19-30088 (DM)

Chapter 11  
(Lead Case)  
(Jointly Administered)

**FOURTH INTERIM APPLICATION  
OF LINCOLN PARTNERS ADVISORS  
LLC FOR ALLOWANCE AND  
PAYMENT OF COMPENSATION  
AND REIMBURSEMENT OF  
EXPENSES FOR THE PERIOD  
JANUARY 1, 2020 THROUGH MAY  
31, 2020**

Objection Date: August 4, 2020

16 To:

The Notice Parties

17 Name of Applicant:

Lincoln Partners Advisors LLC

18 Authorized to Provide Professional Services to:

Financial Advisor to the Official Committee  
of Tort Claimants

19 Date of Retention:

March 1, 2019

20 Period for which compensation and  
21 reimbursement are sought:

January 1, 2020 through May 31, 2020

22 Amount of compensation and reimbursement  
23 are sought:

\$8,766,589.50 (100%)

24 Amount of expense reimbursement sought as  
25 actual, reasonable, and necessary:

\$41,284.46 <sup>(1)</sup>

26  
27  
28  
(1) Includes expenses related to prior fee periods that were not previously filed due to timing.

## SUMMARY OF FOURTH INTERIM FEE APPLICATION

Date Filed	Period Covered	Total Compensation and Expenses for Period Covered		Total Amount Previously Requested with Monthly Fee Statement		Total Amount Paid to Date		Holdback Fees, Unpaid Fees and Expenses Requested
		Fees	Expenses	Fees @80%	Expenses @100%	Fees	Expenses	Fees
3/30/20 (DE 6527)	1/1/20- 1/31/20	\$1,421,820.50	\$8,695.07	\$1,137,456.40	\$8,695.07	\$1,137,456.40	\$8,695.07	\$284,364.10
4/24/20 (DE 6933)	2/1/20- 2/29/20	\$1,743,096.00	\$24,107.92	\$1,394,476.80	\$24,107.92	\$1,394,476.80	\$24,107.92	\$348,619.20
6/11/20 (DE 7910)	3/1/20- 3/31/20	\$1,709,384.50	\$7,456.88	\$1,367,507.60	\$7,456.88	\$0	\$0	\$1,716,841.38
7/9/20 (DE 8344)	4/1/20- 4/30/20	\$1,836,560.50	\$1,024.59	\$1,469,248.40	\$1,024.59	\$0	\$0	\$1,837,585.09
7/13/20 (DE 8369)	5/1/20- 5/31/20	\$2,055,728.00	\$0	\$1,644,582.40	\$0	\$0	\$0	\$2,055,728.00
<b>Total for Fourth Interim Fee Application</b>		<b>\$8,766,589.50</b>	<b>\$41,284.46</b>	<b>\$7,013,271.60</b>	<b>\$41,284.46</b>	<b>\$2,531,933.20</b>	<b>\$32,802.99</b>	<b>\$6,243,137.77</b>

Objections to Monthly Fee Statements: No objections have been filed regarding the Eleventh, Twelfth, and Thirteenth Monthly Fee Statements for January, February, and March 2020. The objection deadlines for the Fourteenth and Fifteenth Monthly Fee Statements for April and May 2020 are July 31 and August 3, 2020, respectively.

**SUMMARY OF HOURS INCURRED BY PROFESSIONAL DURING  
THE APPLICATION PERIOD**

Professional	Position	Billing Rate	Total Hours	Total Fees
Brent Williams	Managing Director	\$ 1,195	1,284.8	\$ 1,535,336.00
Alex Stevenson	Managing Director	1,195	588.5	703,257.50
Brendan Murphy	Managing Director	1,095	1,251.6	1,370,502.00
Sherman Guillema	Director	895	541.9	485,000.50
Peter Gnatowski	Director	895	1,431.8	1,281,461.00
Matt Merkel	Vice President	795	1,374.5	1,092,727.50
Erik Ellingson	Associate	695	712.8	495,396.00
Naeem Muscatwalla	Associate	695	377.9	262,640.50
Max Golembo	Associate	695	128.8	89,516.00
Jeremy Mau	Associate	695	102.8	71,446.00
Jacob Kinstler	Associate	695	17.4	12,093.00
Riley Jacobs	Analyst	395	1,228.7	485,336.50
Alex Gebert	Analyst	395	1,113.9	439,990.50
Zack Stone	Analyst	395	695.0	274,525.00
Aadil Khan	Analyst	395	131.2	51,824.00
John Rutkowski	Analyst	395	37.5	14,812.50
Charles Hallett	Analyst	395	128.9	50,915.50
Thomas Steve	Analyst	395	126.1	49,809.50
<b>Total</b>			<b>11,274.1</b>	<b>\$ 8,766,589.50</b>

**SUMMARY OF HOURS INCURRED BY PROJECT CATEGORY DURING  
THE APPLICATION PERIOD**

<b>Task Code</b>	<b>Task Description</b>	<b>Total Hours</b>	<b>Total Fees</b>
3	Financial Analysis (Requested by Counsel, or Otherwise)	1,367.0	\$ 1,032,900.25
4	13-Week Cash Flow / MOR / Liquidity Analysis	179.2	117,399.25
6	Due Diligence of Wildfire Safety Plan and Related Analysis	241.3	167,933.50
7	Debtor Professionals - Diligence / Meetings / Calls	200.4	175,868.00
8	UCC Professionals - Diligence / Meetings / Calls	0.7	766.50
9	Other Professionals / Interested Parties - Diligence / Meetings / Calls	116.6	133,777.00
10	Tort Claimants (Counsel/FA) - Diligence / Meetings / Calls	437.9	477,580.50
11	Assist Counsel in Responses / Objections to Bankruptcy Court Motions	26.5	22,317.50
12	Committee Related Matters - Diligence / Meetings / Calls	665.8	629,921.00
13	Bankruptcy Filings, Motions and Other Document Review	372.7	235,361.75
15	Review of Employee-Related Matters, Including Retention Plans	98.0	65,230.00
16	Review of Claims and Related Analysis	368.4	287,038.00
17	Asset Sale(s), Strategic Alternatives, and Related Analysis	336.4	231,648.00
18	Analysis of New Debt or Equity Capital	1,418.6	1,084,812.25
19	Analysis of Pro-Forma Capital Structure, and Related Analysis	533.4	441,078.25
20	Benchmarking and Related Analysis	1,382.9	865,115.50
21	Term Sheets, Plan, and Disclosure Statement Analysis	1,311.2	1,121,474.00
22	Review of Discovery Documents and Deposition Preparation (Witnesses)	82.2	47,149.00
23	Deposition(s), Testimony, Court Hearing(s), and Related Preparation / Attendance	173.8	161,231.00
24	Business Plan	342.9	284,935.50
25	Regulatory and Legislative Matters, and Related Financial Analysis	916.4	716,823.25
26	Travel Time - Non Working Travel (Capped)	46.0	50,070.00
27	Project Administration	218.5	174,167.50
28	Fee Application Preparation	422.0	224,050.00
32	Mediation Preparation / Attendance	15.6	17,942.00
<b>Total</b>		<b>11,274.1</b>	<b>8,766,589.50</b>

**SUMMARY OF EXPENSES INCURRED DURING  
THE APPLICATION PERIOD**

Expense Type	Amount
Airfare	\$15,333.48
Ground Transportation (In-Town - Taxi/Uber/Car Service)	\$2,344.78
Ground Transportation (Out-of-Town - Taxi/Uber/Car Service)	\$3,588.94
Hotel Stay (Traveling)	\$10,027.39
Internet/Online Fees	\$288.87
Meals - In Town Only	\$2,487.21
Meals - Out-of-Town Travel Only	\$2,103.35
Other / Miscellaneous	\$584.56
Parking	\$570.80
Printing/Photocopying (In-House)	\$1,832.95
Research (Databases)	\$0.00
Teleconferencing	\$2,122.13
Transcripts	\$0.00
<b>Total</b>	<b>\$41,284.46</b>

1 Lincoln Partners Advisors LLC (“**Lincoln**” or the “**Applicant**”), the financial advisor for  
2 the Official Committee of Tort Claimants (the “**TCC**”), representing the largest group of  
3 stakeholders in the jointly administered bankruptcy cases (the “**Cases**”) of PG&E Corporation and  
4 Pacific Gas and Electric Company (the “**Debtors**”), hereby submits its Fourth Interim Fee  
5 Application (the “**Fee Application**”) for allowance of compensation for professional services  
6 performed by Lincoln for the period commencing January 1, 2020 through and including May 31,  
7 2020 (the “**Application Period**”) and reimbursement of its actual and necessary expenses incurred  
8 during the Application Period. The Applicant seeks interim approval of compensation and  
9 reimbursement of expenses totaling **\$8,807,873.96**, which sum represents compensation for  
10 professional services rendered in the amount of **\$8,766,589.50** and reimbursement for expenses  
11 incurred in the amount of **\$41,284.46**. The Applicant is seeking entry of an order pursuant to  
12 sections 330, 331, and 1103 of title 11, United States Code (the “**Bankruptcy Code**”); Rule 2016  
13 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”); the Local Rules for the  
14 United States Bankruptcy Court for the Northern District of California (the “**Local Rules**”); the  
15 *U.S. Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of*  
16 *Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective  
17 November 1, 2013 (the “**UST Guidelines**”); the *Guidelines for Compensation and Expense*  
18 *Reimbursement of Professional and Trustees*, promulgated pursuant to Local Rule 9029-1,  
19 governing the narrative portion of fee applications, effective February 19, 2014 (the “**Narrative**  
20 **Guidelines**”); the *Order Pursuant to 11 U.S.C §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 for*  
21 *Authority to Establish Procedures for Interim Compensation and Reimbursement of Expenses of*  
22 *Professionals*, entered on February 27, 2019 (the “**Interim Compensation Order**”); and the  
23 revised Fee Examiner Protocol filed on October 24, 2019 (the “**Revised Protocol**” and collectively,  
24 the “**Guidelines**”) [Docket No. 4473].

25 This Application is based upon the contents hereof, together with the exhibits; the  
26 certification of Brent C. Williams filed concurrently herewith; the pleadings, papers, and records  
27 on file in the Cases; and any evidence or argument that the Court may entertain at the time of the  
28 hearing on the Application.

1 Pursuant to the Narrative Guidelines, a cover letter enclosing this Application is being sent  
2 to the Chair of the TCC concurrently. The letter invites the Chair to discuss with the Applicant  
3 and/or the Office of the United States Trustee any objections, concerns, or questions the Chair may  
4 have regarding the requested compensation and reimbursement set forth in the Application. A copy  
5 of the transmittal letter is attached hereto as **Exhibit A**.

6 This Fee Application summarizes the services rendered by Lincoln on behalf of the TCC  
7 during the Application Period. A breakdown of the hours and fees by professional is attached hereto  
8 as **Exhibit B**. A breakdown of the hours and fees by task code is attached hereto as **Exhibit C**. A  
9 breakdown of expenses by expense type is attached hereto as **Exhibit D**. A detailed copy of the  
10 time records by professional and by task code is attached hereto as **Exhibit E**. A detailed copy of  
11 the expense records by professional and expense type is attached here to as **Exhibit F**.

#### 12 **TERMS AND CONDITIONS OF EMPLOYMENT**

13 1. Lincoln is compensated on an hourly fee basis, plus reimbursement of actual and  
14 necessary expenses incurred. For further information regarding the terms and conditions of  
15 Lincoln's retention, please refer to the Retention Order (defined below).

#### 16 **RELEVANT BACKGROUND**

17 2. On January 29, 2019 (the "**Petition Date**"), the Debtors filed the Cases. During the  
18 Application Period, the Debtors continued to operate their businesses and manage their properties  
19 as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Cases  
20 are being jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

21 3. On February 15, 2019, the Office of the United States Trustee ("**UST**") filed an  
22 Appointment of the Official Committee of Tort Claimants [Docket No. 453]. Following the  
23 resignation of Richard Heffern from the original TCC and the addition of Tommy Wehe, on  
24 February 21, 2019, the UST filed the Amended Appointment of the Official Committee of Tort  
25 Claimants [Docket No. 530]. The UST filed the Second Amended Appointment of the Official  
26 Committee of Tort Claimants on March 27, 2020 following the resignations of Kirk Trostle and  
27 GER Hospitality, LLC [Dkt. No. 6503], and the Third Amended Appointment of the Official  
28 Committee of Tort Claimants on April 3, 2020 following the resignation of Karen K. Gowins [Dkt.

No. 6613]. The members of the TCC are: (i) Tommy Wehe; (ii) Angelo Loo; (iii) Agajanian, Inc.; (iv) Susan Slocum; (v) Samuel Maxwell; (vi) Karen M. Lockhart; (vii) Wagner Family Wines-Caymus Vineyards; and (viii) Gregory Wilson.

4. On March 30, 2019, the TCC filed its *Application to Employ Lincoln Partners Advisors LLC as Financial Advisor Effective as of March 1, 2019* [Docket No. 1134] (the “**Retention Application**”). On May 10, 2019, the Court entered its *Order Approving the Application of the Official Committee of Tort Claimants Pursuant to 11 U.S.C. § 1103 and Fed. R. Bankr. 2014 and 5002 to Retain and Employ Lincoln Partners Advisors LLC as Financial Advisors Effective as of March 1, 2019* [Docket No. 1976] (the “**Retention Order**”).

5. On May 28, 2019, the Court entered an order appointing Bruce A. Markell as fee examiner (“**Fee Examiner**”) in the Cases [Docket No. 2267]. Lincoln has communicated with the Fee Examiner, and it has supplied information to the Fee Examiner as requested and necessary for the Fee Examiner to evaluate the reasonableness of the compensation sought in this Application.

#### **RELIEF REQUESTED AND BASIS FOR RELIEF**

6. This Application is Lincoln’s fourth interim request for allowance and payment of fees and expenses as financial advisor to the TCC.

7. Pursuant to Bankruptcy Code §§ 330 and 331, Lincoln respectfully requests entry of an order, on an interim basis, allowing and approving \$8,807,873.96, which sum represents compensation for professional services rendered in the amount of \$8,766,589.50 and reimbursement for expenses incurred in the amount of \$41,284.46. The services and expenses for which interim compensation is sought herein were rendered for and on behalf of the TCC. Lincoln respectfully submits that the nature of the services has been necessary and beneficial to the TCC in maximizing their recoveries.

8. Lincoln’s retention and corresponding engagement scope have been to serve as the financial advisor to the TCC during the pendency of the Cases. While the Official Committee of Unsecured Creditors (“UCC”) retained FTI Consulting (“**FTI**”) and Centerview Partners (“**Centerview**”) to serve two separate financial advisory roles, the TCC’s focus on efficiency and cost-effectiveness has required Lincoln to perform both functions (e.g. investment banker and



1 financial advisor to the TCC). The TCC and its counsel Baker & Hostetler LLP (“**Baker**” or  
2 “**Counsel**”) required Lincoln to dedicate senior resources to many specific assignments and case  
3 issues in these matters. This has also been reflected in the professionals involved and hours worked.

4 9. That said, in an effort to streamline and control professional fees and expenses where  
5 possible, Lincoln endeavored to minimize the expenditure of time by its senior members and to  
6 delegate responsibilities to junior members, associates, analysts, and other employees as  
7 appropriate.

8 10. Further, Lincoln has made every effort to ensure that this Application complies with  
9 the Guidelines and to avoid unnecessary duplication of effort by and among its team members, as  
10 well as with other retained professionals in these cases. Lincoln has supplied the Fee Examiner and  
11 the UST with Lincoln’s monthly fee statements in an electronic format (Excel) Lincoln believes is  
12 acceptable to the Fee Examiner and the UST. Pursuant to Bankruptcy Code § 504, Lincoln has no  
13 understanding, agreement, or arrangement of any kind to divide with or pay to anyone any fees that  
14 may be awarded to Lincoln in the Cases, other than as may be shared among the members of  
15 Lincoln.

#### 16 **SUMMARY OF PROFESSIONAL SERVICES RENDERED**

17 11. The Debtors’ Cases are among the largest and most complex cases in history. There  
18 are many issues and considerations impacting the TCC and tort claimants’ potential recoveries. The  
19 services rendered by Lincoln include, but are not limited to, the following project billing categories.  
20 The specific tasks, the number of hours devoted, and the amounts charged within each billing  
21 category are set forth below.

22 a. Financial Analysis (Requested by Counsel, or Otherwise) (003):  
23 Throughout the Application Period, Lincoln spent significant time evaluating the Debtors’ financial  
24 performance and business operations, including reviewing historical results, operating metrics,  
25 earnings releases, outstanding assets and liabilities, and financial forecasts. Lincoln reviewed and  
26 analyzed information provided by the Debtors; public SEC filings, such as the Debtors’ quarterly  
27 and annual financial statements; investor presentations; and other public sources. Lincoln created  
28 various models and analyses, including an operating financial model, a waterfall recovery model,

1 and analyses related to the Debtors' historical and projected financial results and capital  
2 expenditures, outstanding make-whole premiums, pro forma post-petition obligations and other  
3 financial and operational analyses. Lincoln researched various tax related matters, including the  
4 treatment of the Debtors' tax attributes and net operating losses ("NOL"), the preservation of the  
5 Debtors' pre- and post-petition NOLs, and tax monetization mechanisms. Lincoln performed  
6 valuation recovery analysis and reviewed the allocation of equity and recovery to various parties  
7 under different scenarios. Lincoln analyzed the formulation of Normalized Expected Net Income  
8 ("NENI"), including the inputs to NENI and the impact of changes to these inputs on the NENI  
9 formulation. Lincoln reviewed risk factors and the potential financial and operational impacts of  
10 COVID-19 on the Debtors' operations, financial results, and liquidity. Additionally, Lincoln  
11 performed in-depth research into registration rights agreements, lock-up terms, and other topics  
12 related to contractual rights and obligations of shareholders involved in primary and secondary  
13 equity offerings. This assisted Counsel and the TCC in understanding the Debtors' financial  
14 position, outstanding claims, assets and liabilities, and potential recoveries to tort claimants across  
15 various scenarios and assumptions.

16 The total hours and amount charged by Lincoln to this matter during the Application Period  
17 represents **1,367.0 hours** and **\$1,032,900.25** in fees.

18 b. 13-Week Cash Flow / MOR / Liquidity Analysis (004): This category  
19 encompasses services rendered related to the Debtors' liquidity, cash flow, and monthly operating  
20 reports. Throughout the Application Period, Lincoln monitored the Debtors' liquidity position and  
21 cash flow results compared to the initial DIP forecast and subsequent updated monthly cash flow  
22 forecasts. Lincoln reviewed and analyzed the bi-weekly actual to budgeted results, reviewed the  
23 assumptions driving the updated cash flow forecasts furnished by the Debtors, and compared  
24 original cash flow forecasts to updated forecasts to understand the key drivers of the variances and  
25 changes. Based on the review of the liquidity and cash flow results, Lincoln created diligence  
26 questions and made numerous requests to the Debtors in order to understand the variances, changes,  
27 and assumptions. The diligence requests were supplemented with diligence calls with the Debtors,  
28 when applicable. Lincoln also reviewed the Debtors' monthly operating results to assess and

1 evaluate the Debtors' monthly financial performance, account balances of certain assets and  
2 liabilities, including wildfire-related claims and reserves, and payments on pre-petition obligations,  
3 among others. Lincoln frequently advised Counsel and the TCC regarding the Debtors' liquidity  
4 and cash flow position, actual versus forecasted results, and future projections.

5 The total hours and amount charged by Lincoln to this matter during the Application Period  
6 represents **179.2 hours** and **\$117,399.25** in fees.

7 c. Due Diligence of Wildfire Safety Plan and Related Analysis (006): During  
8 the Application Period, Lincoln spent time reviewing and analyzing the Debtors' wildfire  
9 mitigation and safety efforts, including reviewing and evaluating regular updates to the Wildfire  
10 Safety Plan ("WSP"). Lincoln participated in meetings and calls with the Debtors' management  
11 and their advisors to discuss the development, implementation, and status of the WSP.

12 Lincoln reviewed and evaluated various metrics and targets of the WSP, including  
13 vegetation management, system hardening, inspections, power safety shutoff programs, and  
14 situational awareness, among others. Lincoln analyzed the Debtors' periodic status updates  
15 regarding the WSP and the Wildfire Assistance Fund, including plan progress, actual results to plan  
16 targets, and reasons for variances to plan. Lincoln closely monitored WSP categories that were  
17 behind plan, including enhanced vegetation management, and the Debtors' plans for the upcoming  
18 fire season. Lincoln performed in-depth reviews of the Debtors' power safety shutoff programs,  
19 including monitoring and evaluating the results, potential costs, regulatory responses, and media  
20 coverage related to the actual implementation of the shutoffs. Lincoln reviewed the Debtors' future  
21 planned investment, including operational costs and capital expenditures, related to the wildfire  
22 mitigation efforts. Lincoln also considered the many wildfire safety requirements and findings of  
23 the California Public Utilities Commission (the "CPUC"), Governor Gavin Newsom's Strike Force  
24 report, Blue Ribbon Commission report, the Federal Monitor's Report, and various requests from  
25 Judge Alsup, among others.

26 Lincoln considered the risks wildfires posed on effectuating a plan of emergence and  
27 maximizing value for the tort claimants. Lincoln also considered wildfire safety as it relates to  
28 partaking in future California legislative funding and/or insurance programs. Lincoln frequently

1 created presentations for Counsel and the TCC detailing the WSP, status updates of the WSP, and  
2 legislative and regulatory updates related to the WSP.

3 The total hours and amount charged by Lincoln to this matter during the Application Period  
4 represents **241.3 hours** and **\$167,933.50** in fees.

5 d. Debtor Professionals - Diligence / Meetings / Calls (007): During the  
6 Application Period, Lincoln held calls, attended in-person meetings, and video-conferenced with  
7 the Debtors and the Debtors' advisors, including Alix Partners and Lazard Freres & Co., to discuss  
8 and negotiate matters related to the Cases including business diligence, liquidity forecasts, financial  
9 projections, exit financing, securitization application, the business plan, monthly operating reports,  
10 WSP, financing commitments, and other filed motions and matters.

11 The total hours and amount charged by Lincoln to this matter during the Application Period  
12 represents **200.4 hours** and **\$175,868.00** in fees.

13 e. UCC Professionals - Diligence / Meetings / Calls (008): During the  
14 Application Period, Lincoln held calls and attended in-person meetings with the UCC and  
15 professionals representing the UCC, including FTI and Centerview, to discuss matters related to  
16 the Cases and joint interests, including WSP, mediation, other filed motions and matters.

17 The total hours and amount charged by Lincoln to this matter during the Application Period  
18 represents **0.7 hours** and **\$766.50** in fees.

19 f. Other Professionals / Interested Parties - Diligence / Meetings / Calls (009):  
20 During the Application Period, Lincoln held confidential calls and attended in-person meetings  
21 with the other professionals and interested parties to the Cases to discuss case-related matters and  
22 potential joint interests. Lincoln spent time preparing for and communicating via calls, meetings,  
23 and emails with these professionals and interested parties.

24 The total hours and amount charged by Lincoln to this matter during the Application Period  
25 represents **116.6 hours** and **\$133,777.00** in fees.

1                   g.     Tort Claimants (Counsel/FA) - Diligence / Meetings / Calls (010): Time  
2 spent in this category is related to correspondence with Baker regarding strategy, approach,  
3 recommendations, and financial analyses of various filings by the Debtors and case-specific issues,  
4 including many of the topics and issues addressed in this Fee Application. Lincoln also coordinated  
5 with Baker on TCC discussion topics for weekly meetings and related presentation materials.

6                   The total hours and amount charged by Lincoln to this matter during the Application Period  
7 represents **437.9 hours** and **\$477,580.50** in fees.

8                   h.     Assist Counsel in Responses / Objections to Bankruptcy Court Motions  
9 (011): During the Application Period, Lincoln assisted Baker with financial analyses related to  
10 evaluating and/or responding to issues impacting the tort claimants and/or motions filed by the  
11 Debtors including the treatment of tax attributes, financing commitments, disclosure statements,  
12 and confirmation briefs, among others. At Counsel's request, Lincoln researched and analyzed  
13 support materials related to the requested relief and presented its findings and recommendations to  
14 Counsel. If requested by Counsel, Lincoln prepared declarations in support of its recommendations  
15 and findings.

16                  The total hours and amount charged by Lincoln to this matter during the Application Period  
17 represents **26.5 hours** and **\$22,317.50** in fees.

18                  i.     Committee Related Matters - Diligence / Meetings / Calls (012): This task  
19 code encompassed substantial time for services rendered to the TCC including preparation of  
20 presentations, attending regularly scheduled (typically weekly) committee meetings, and  
21 participation in other regular communications with individual TCC members and sub-committees  
22 outside of the scheduled weekly meetings. Lincoln assisted the TCC with evaluating the numerous  
23 issues and topics covered in this Fee Application and assessing their potential financial impact to  
24 tort claimants and/or their eventual recovery. Lincoln prepared and presented numerous analyses,  
25 presentations and recommendations to the TCC on various topics including the Debtors' financial  
26 and operational position, WSP, waterfall and recovery analysis, treatment of tax attributes, term  
27 sheets and proposals, plans of reorganization, equity valuations, strategic alternatives, exit  
28

1 financing, negotiations with the Debtors and interested parties, and regulatory and legislative  
2 updates, among many others.

3 The total hours and amount charged by Lincoln to this matter during the Application Period  
4 represents **665.8 hours** and **\$629,921.00** in fees.

5 j. Bankruptcy Filings and Document Review (013): During the Application  
6 Period, Lincoln reviewed and evaluated various other documents, motions, and filings that are not  
7 covered under a specific task code in this Fee Application. Lincoln also regularly reviewed the  
8 Debtors' and third-party media coverage to monitor and evaluate developments related to the Cases  
9 and the impact, if any, to the tort claimants.

10 One junior Lincoln professional daily reviewed, summarized, and circulated all relevant  
11 court dockets internally to ensure the engagement team stayed informed of key filings and case  
12 developments in a timely and cost-efficient manner. Additional Lincoln junior professionals daily  
13 monitored the Debtors' and third-party media coverage, including news articles from regional and  
14 national media outlets, restructuring publications, subscription databases and regulatory websites.  
15 A Lincoln professional (junior or senior depending on underlying topic) monitored and analyzed  
16 developments, trends, and market sentiment related to the Debtors, regulators, third parties, and  
17 tort victims. Similar to the key docket filings, key media coverage articles and/or publications were  
18 circulated to the engagement team and, in certain instances, Counsel and the TCC.

19 The total hours and amount charged by Lincoln to this matter during the Application Period  
20 represents **372.7 hours** and **\$235,361.75** in fees.

21 k. Review of Employee-Related Matters, Including Retention Plans (015):  
22 Time billed to this category primarily focused on the review and analysis of employee  
23 compensation and retention, the composition of the Board of Directors, the compensation and  
24 resignation of William (Bill) Johnson, the Chief Executive Officer of the PG&E Corporation, as  
25 well as the review of the Debtors' Short-Term Incentive Plan ("STIP") results.

26 Lincoln evaluated and analyzed matters surrounding the resignation of Mr. Johnson,  
27 including analysis of the value of Mr. Johnson's cash and equity compensation and the possible  
28 effects of the resignation on Mr. Johnson's cash and equity compensation.

1 Lincoln reviewed the Debtors' Q4 2019 STIP results. Lincoln compared the actual Q4 2019  
2 STIP results to the forecasted results under the 2019 WSP and analyzed notable variances. Lincoln  
3 communicated the results to Counsel and followed up with the Debtors to understand what was  
4 driving the variances in the results, as needed.

5 The total hours and amount charged by Lincoln to this matter during the Application Period  
6 represents **98.0 hours** and **\$65,230.00** in fees.

7 l. Review of Claims and Related Analysis (016): During the Application  
8 Period, Lincoln evaluated and analyzed various claims including the size, type, and expected  
9 treatment of the claims pre-petition, post-petition and upon emergence. Lincoln considered  
10 information provided by the Debtors, various motions, and other documents to understand the  
11 proposed size and validity of various claims. Lincoln's claims analysis considered the filings and  
12 relief from stay on the Tubbs claims and estimation conferences.

13 Lincoln also reviewed and analyzed the claim amounts filed by the various state and federal  
14 governmental agencies, including the proof supporting the filed claims, the scope of services of the  
15 claims, and the potential duplication of claims.

16 The total hours and amount charged by Lincoln to this matter during the Application Period  
17 represents **368.4 hours** and **\$287,038.00** in fees.

18 m. Asset Sale(s), Strategic Alternatives, and Related Analysis (017): Time  
19 billed to this category relates to evaluating various strategic alternatives available to the Debtors  
20 including potential sale(s) of core and non-core assets. Lincoln reviewed and evaluated the Debtors'  
21 comprehensive asset portfolio across gas, electric, and hydroelectric for identifying potential sale(s)  
22 of assets. In reviewing the potential sale(s) of assets, Lincoln considered the nature of the Debtors  
23 asset base, impact to operations from the sale(s), and the estimated recovery value, if any. Lincoln  
24 performed diligence on the assets based on publicly available information including the SEC,  
25 CPUC, and the Federal Energy Regulatory Commission ("**FERC**") and based on information  
26 supplied by the Debtors. Based on available information on the Debtors' portfolio of assets and  
27 using valuation metrics obtained from other relevant assets and transactions in the market, Lincoln  
28 performed sum-of-the-parts ("**SOTP**") valuation analysis and best interests test analysis for the



1 purposes of evaluating recoveries proposed under the plan. Lincoln assessed and evaluated  
2 contingent alternatives, including the off-ramp option from the state of California. Lincoln also  
3 reviewed prior asset sale proposals from city and local municipalities to acquire certain assets of  
4 the Debtors, including electric infrastructure assets and hydroelectric assets.

5 Lincoln evaluated the impact of the CPUC and other regulatory proceedings on any asset  
6 sale(s) including the impact of AB 1054 and CPUC restrictions on proceeds of asset sales, among  
7 many others. Lincoln prepared presentations for Counsel and the TCC summarizing and analyzing  
8 the Debtors' asset portfolio, offers to acquire assets, requested motions to sell assets, and the  
9 potential impact of any asset sale(s) for recoveries to tort claimants.

10 The total hours and amount charged by Lincoln to this matter during the Application Period  
11 represents **336.4 hours** and **\$231,648.00** in fees.

12 n. Analysis of New Debt or Equity Capital (018): Time billed to this category  
13 includes analyzing new debt or equity capital financing proposals as part of the Debtors' plan of  
14 reorganization. Lincoln analyzed and compared the related debt commitment letters, confident  
15 letters, various iterations of equity backstop commitment letters, and proposed securitization  
16 transaction in accordance with the respective plan of reorganization. Lincoln reviewed and  
17 evaluated the key terms and conditions, termination rights, registration rights, feasibility and the  
18 cost of capital, among other terms. Lincoln also researched and analyzed trust mechanisms and  
19 trust monetization mechanics. Lincoln analyzed the amount of new equity capital being raised, the  
20 number of shares being issued, the share price and the implied equity value per share. Lincoln  
21 performed an in-depth evaluation and review of the Debtors' securitization application and other  
22 related documents filed with the CPUC. Lincoln advised Counsel and the TCC regarding the debt  
23 commitment letters, equity considerations to the tort claimants, confident letters, trust mechanisms,  
24 equity backstop commitment letters, and proposed securitization transaction under the proposed  
25 plans and the risk factors and potential impact to tort claimants and their recovery.

26 The total hours and amount charged by Lincoln to this matter during the Application Period  
27 represents **1,418.6 hours** and **\$1,084,812.25** in fees.



1           o.     Analysis of Pro-Forma Capital Structure, and Related Analysis (019): Time  
2 billed to this category includes analyzing the pro-forma capital structure under the Debtors' plan of  
3 reorganization. Lincoln performed financial modeling and analysis of the Debtors' pro-form capital  
4 structure and frequently updated the analysis based on changes to the plan funding sources, market  
5 conditions, and for other reasons. Lincoln performed in-depth analysis on the build-up to NENI,  
6 the inputs to NENI, and the impact NENI has on the implied equity value at plan emergence and to  
7 the tort claimants. Lincoln analyzed the pre-petition interest expense, post-petition interest expense,  
8 and proposed interest expense under each plan of reorganization. Lincoln analyzed the interest rate  
9 impact between the Federal Judgment Rate and the contract rates on pre-petition debt. Lincoln also  
10 researched and evaluated the expected credit rating for the Debtors upon emergence under various  
11 plan scenarios. As part of the illustrative S&P credit rating analysis, Lincoln performed diligence  
12 on the business plan assumptions provided by the Debtors, analyzed the Debtors' funds-from-  
13 operations-to-debt ratio and other relevant ratios, and reviewed the comparable company S&P  
14 Ratings Direct credit rating metrics.

15           Lincoln advised Counsel and the TCC regarding the pro-forma capital structure under both  
16 plans and outlined the potential impact to tort claimant recoveries. The total hours and amount  
17 charged by Lincoln to this matter during the Application Period represents **533.4 hours** and  
18 **\$441,078.25** in fees.

19           p.     Benchmarking and Related Analysis (020): Time billed to this category  
20 includes analyzing the Debtors' business and operating performance relative to competitors and/or  
21 other similar companies. Lincoln performed significant research to identify and refine a set of  
22 comparable companies with characteristics similar to the Debtors, considering such factors as  
23 nature and size of operations, operating history, geographic region, financial performance and  
24 regulatory oversight. Using similar characteristics, Lincoln also developed and refined a list of  
25 precedent transactions involving companies similar to the Debtors. Lincoln spent significant time  
26 analyzing and reviewing public filings and relevant investor presentations of the selected public  
27 companies to compile and compare various operating metrics of the Debtors' business, including  
28 total operating revenue, rate base and profitability. Lincoln compared these operating metrics to

1 those of the comparable public companies. These comparisons helped Lincoln understand the  
2 financial and operational performance of the Debtors relative to comparable companies and the  
3 potential impact to its enterprise value and equity value. Lincoln also reviewed and compared  
4 similar analyses from third-party advisors. Lincoln regularly updated the benchmarking analysis to  
5 assist in evaluating the Debtors' potential enterprise value in conjunction with new proposals, terms  
6 sheets and plans of reorganization.

7 Lincoln also reviewed and benchmarked other comparable securities offered under various  
8 term sheets and plans of reorganization including bonds and preferred equity instruments. Lincoln  
9 frequently analyzed and monitored the capital markets activity, including recent capital raises,  
10 interest rate movements, and changes to valuation multiples in order to assess the potential impact  
11 on the Debtors' valuation and plan emergence. Lincoln also analyzed the impact that Covid-19 has  
12 had on valuations for other comparable utilities and analyzed the potential impact to the equity  
13 value for the tort claimants. Lincoln evaluated key terms of the proposed bonds such as principal,  
14 term, conditions and coupon, among others. Lincoln also researched and evaluated other  
15 bankruptcy precedents for comparable mandatory preferred equity structures and terms, including  
16 PIK rates, conversion periods, and discounts for converting to common equity. Lincoln compared  
17 the results of the bond and preferred equity analysis to the proposed capital structures in the term  
18 sheets and plans of reorganization to assess the reasonableness of the requested securities.

19 The total hours and amount charged by Lincoln to this matter during the Application Period  
20 represents **1,382.9 hours** and **\$865,115.50** in fees.

21 q. Term Sheets, Plan, and Disclosure Statement Analysis (021): Time billed to  
22 this category includes devoting significant time to reviewing and evaluating term sheets, proposals,  
23 and plans submitted by the Debtors. Lincoln performed various analyses to understand the potential  
24 recoveries to tort claimants including, among other things, the total consideration, form of  
25 consideration, plan funding, proposed capital structure, total enterprise value, equity value, and  
26 overall feasibility of the illustrative plans. Lincoln spent significant time comparing and evaluating  
27 the various plans of reorganization including all amendments to term sheets, iterations and the  
28 supplemental materials prepared by the Debtors, interested parties and their advisors. Lincoln

1 performed in-depth analysis on the restructuring support agreement (“**RSA**”) entered into between  
2 the Debtors and various plan constituents. Lincoln prepared numerous presentations and recovery  
3 and waterfall analyses to assist Counsel and the TCC in evaluating the updated and revised plans  
4 and the impact on recoveries to the tort claimants. Lincoln also assisted in analyzing term sheets  
5 and proposals to assist Counsel, Lincoln and the TCC in the negotiations with the Debtors and  
6 interested parties. Lincoln also reviewed and analyzed the Debtors’ plan disclosure statements and  
7 the corresponding financial statement projections.

8 The total hours and amount charge by Lincoln to this matter during the Application Period  
9 represents **1,331.2 hours** and **\$1,121,474.00** in fees.

10 r. Review of Discovery Documents and Deposition Preparation (Witnesses)  
11 (022): Time billed to this category includes assisting Counsel in preparation of depositions  
12 including reviewing, analyzing, and summarizing discovery documents and preparing deposition  
13 questions related to financial topics. Discovery documents were typically loaded onto a third-party  
14 data site by Baker for Lincoln to review.

15 The total hours and amount charge by Lincoln to this matter during the Application Period  
16 represents **82.2 hours** and **\$47,149.00** in fees.

17 s. Deposition(s), Testimony, Court Hearing(s), and Related Preparation /  
18 Attendance (023): Time billed to this category includes preparation and attendance of court  
19 hearings, testimony and depositions – in person or by phone. Attendance at hearings included  
20 omnibus hearing(s), confirmation hearing(s), and hearings related to securing plan financing and  
21 plan support, among other topics. Attendance of depositions included various interested parties and  
22 advisors from the Debtors, Ad Hoc Committee of Unsecured Noteholders, Ad Hoc Group of  
23 Subrogation Claim Holders, and the TCC. Preparation included strategy discussions internally and  
24 with Counsel; reviewing hearing specific filings including motions, objections, and replies; and  
25 reviewing previously prepared work product by Lincoln or other advisors. Lincoln reviewed  
26 extensive documentation related to status conferences, court hearings, and evidentiary hearings to  
27 support Counsel.  
28

1           The total hours and amount charged by Lincoln to this matter during the Application Period  
2 represents **173.8 hours** and **\$161,231.00** in fees.

3           t.       Business Plan (024): Time billed to this category encompasses the review  
4 and analysis of the Debtors' updated business plan. Lincoln reviewed and analyzed all the  
5 information provided at the meeting and subsequently requested additional follow-up materials to  
6 fully evaluate the Debtors' financial and operational projections including operating revenues,  
7 operating expenses, capital expenditures, and profitability, among others. Lincoln also reviewed  
8 and evaluated the Debtors' plans for infrastructure and wildfire safety investments, cost savings  
9 initiatives, anticipated cost recovery and the impact to customer rates. Lincoln performed analysis  
10 on the Debtors' proposed cost of capital assumptions and compared these assumptions to authorized  
11 and pending rate cases filed and expected to be filed with the CPUC. These analyses allowed  
12 Lincoln to evaluate and assess the potential impact that the business plan will have on the Debtors'  
13 future enterprise value, proforma capital structure at emergence, and the potential distributable  
14 value to tort claimants.

15           The total hours and amount charged by Lincoln to this matter during the Application Period  
16 represents **342.9 hours** and **\$284,935.50** in fees.

17           u.       Regulatory and Legislative Matters, and Related Financial Analysis (025):  
18 Time billed to this category includes all regulatory and legislative matters and analyses related to  
19 the Cases. Lincoln reviewed and evaluated Assembly Bills No. 1054 and No. 235 and various  
20 CPUC and FERC applications, settlements, fines, penalties, investigations, and decisions to assess  
21 the potential impact that these regulatory and legislative matters may have on the Debtors' current  
22 and future operations, business plan, reorganization efforts, and any potential impact on the  
23 recovery to the tort claimants. Lincoln also monitored, reviewed, and analyzed potential fines and  
24 penalties imposed on the Debtors by the CPUC and the impact, if any, of the fines on plan funding  
25 and tort claimants' recoveries. Lincoln reviewed and analyzed the Debtors' Case Contingency Plan  
26 Motion, the California purchase option, the CPUC Order Instituting Investigation ("OII") and  
27 related proceedings, as well as the Debtors' various rate case filings, among many others. Lincoln  
28 also attended the multiday in-person meetings related to the Debtors' OII testimony proceedings.

1 Lincoln also reviewed and monitored the expected timelines and milestones of Debtors' regulatory  
2 cases, reviewed and monitored the status of various CPUC applications, and participated in select  
3 conferences.

4 The total hours and amount charged by Lincoln to this matter during the Application Period  
5 represents **916.4 hours** and **\$716,823.25** in fees.

6 v. Travel Time - Non Working Travel (026):

7 Time billed to this category encompasses the non-working travel time spent by Lincoln  
8 personnel travelling to and from court hearings. This task code also included depositions and  
9 meetings with the TCC, Counsel, and other professionals. Non-working travel time has been capped  
10 at 2.0 hours.

11 The total hours and amount charged by Lincoln to this matter during the Application Period  
12 represents **46.0 hours** and **\$50,070.00** in fees.

13 w. Project Administration (027): Time billed to this category relates to  
14 Lincoln's planning, strategizing, and coordinating of case-related efforts, including the  
15 development of work streams, staffing of resources, and internal communication of project  
16 allocation(s) to avoid unnecessary duplication of efforts. This code includes establishing and  
17 maintaining an internal work site to house the task and time tracking databases, key filings, and  
18 various work product prepared for Counsel and the TCC. To coordinate efforts, Lincoln holds a  
19 weekly internal meeting to discuss outstanding deliverables, allocate new tasks between team  
20 members, and discuss new case developments that may have an impact to the TCC.

21 The total hours and amount charged by Lincoln to this matter during the Application Period  
22 represents **218.5 hours** and **\$174,167.50** in fees.

23 x. Fee Application Preparation (031): Time billed to this category consists of  
24 communications relating to and preparing monthly and interim fee statements to comply with local  
25 and federal rules including reviewing timekeeping records for privileged, confidential, and work  
26 product issues; reducing time and expense entries; and working with Counsel to draft the fee  
27 application motion.  
28

1 The total hours and amount charged by Baker to this matter during the Application Period  
2 represents **422.0 hours** and **\$224,050.00** in fees.

3 y. Mediation Preparation / Attendance (32): Time billed to this category  
4 includes preparation and attendance of mediation session(s) between various parties – in person or  
5 by phone. Preparation included strategy discussions internally and with Counsel; reviewing hearing  
6 specific filings including motions, objections, and replies, and reviewing previously prepared work  
7 product or analyses by Lincoln or other advisors.

8 The total hours and amount charged by Baker to this matter during the Application Period  
9 represents **15.6 hours** and **\$17,942.00** in fees.

### 10 CONCLUSION

11 12. Lincoln believes that this Application appropriately sets forth the significant  
12 services Lincoln performed on behalf of the TCC and provides this Court, the UST, the Fee  
13 Examiner, the Debtors' creditors, and other interested parties with an insightful overview of the  
14 scope of services rendered. Thus, Lincoln respectfully submits that the fees and expenses sought  
15 herein are reasonable and that the services rendered were necessary, effective, efficient, and  
16 economical. Accordingly, Lincoln respectfully requests that this Application for allowance of fees  
17 and expenses, on an interim basis, be granted in all respects.

18 Dated: July 15, 2020

19  
20 LINCOLN PARTNERS ADVISORS LLC

21 By: /s/ Brent C. Williams

22 Financial Advisor to the Official Committee of Tort  
23 Claimants  
24  
25  
26  
27  
28

1 **CERTIFICATION**

2 I, Brent C. Williams, declare as follows:

3 The following facts are personally known to me, and if called to do so, I could and would  
4 competently testify thereto.

5 1. I am a Managing Director and Co-Head of Lincoln's Special Situations Group at  
6 Lincoln Partners Advisors LLC ("**Lincoln**"). I submit this certification in support of the *Fourth*  
7 *Interim Application of Lincoln Partners Advisors LLC for Allowance and Payment of*  
8 *Compensation and Reimbursement of Expenses for the Period January 1, 2020 through May 31,*  
9 *2020* (the "**Application**").<sup>1</sup>

10 2. I have personally reviewed the information contained in the Application and believe  
11 its contents to be true to the best of my knowledge, information and belief.

12 3. The compensation and expense reimbursement sought in this Application, to the  
13 best of my knowledge, information and belief, after reasonable inquiry, is in conformity with  
14 sections 330, 331, and 1103 of title 11, United States Code; Rule 2016 of the Federal Rules of  
15 Bankruptcy Procedure; the Local Rules for the United States Bankruptcy Court for the Northern  
16 District of California; the *Order Pursuant to 11 U.S.C §§ 331 and 105(a) and Fed. R. Bankr. P.*  
17 *2016 for Authority to Establish Procedures for Interim Compensation and Reimbursement of*  
18 *Expenses of Professionals*, entered on February 27, 2019; the *U.S. Trustee Guidelines for*  
19 *Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C.*  
20 *§ 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013; and the *Guidelines*  
21 *for Compensation and Expense Reimbursement of Professional and Trustees*, promulgated  
22 pursuant to Local Rule 9029-1, governing the narrative portion of fee applications, effective  
23 February 19, 2014.

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26  
27  
28 \_\_\_\_\_  
<sup>1</sup> Capitalized terms not defined have the meanings used in the Application.

4. The compensation and expense reimbursement requested in this Application are billed at rates, in accordance with practices, no less favorable than those customarily employed by Lincoln and generally accepted by Lincoln's clients.

Date: July 15, 2020

LINCOLN PARTNERS ADVISORS LLC

BY: /s/ Brent C. Williams

Financial Advisor to the Official Committee of Tort Claimants